

Federal Activities Inventory Reform (FAIR) ACT Inventory



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DLA J-374

June



Perspective

- **More & More Congressional Scrutiny on Competitive Sourcing has Driven DoD to Improve the Quality of the Inventory**
 - **Revamping Function Codes & Developing Definitions**
 - **Intensive Review of Component Reason Coding**
- **The OMB Perspective is that the Starting Presumption of the**



Process

FAIR Act Inventory

All Activities Performed By Government Personnel

**Fair Act
Requirement**

Commercial

**OMB
Requirement**

**Inherently
Governmental**

30 June Each Year

**Agency Puts On
Website**

OMB Issues Federal Register Notice

Appeals



Process

- **The Business Management Office of DLA Support Services (DSS-B), as the DLA FAIR Act Program Manager, is Responsible for the Inventory Process ➡**
Agency Lead: DSS-B, Dick Stewart
- **The FAIR Act, Requires Agencies to Submit an Inventory to OMB for Review & Approval by June 30 of Each Calendar Year**



Process

- **DLA Must Submit its Inventory to the Competitive Sourcing & Privatization Office, Deputy Under Secretary of Defense (Installations & Environment) [DUSD(I&E)] by March 15th of Each Year**
- **DUSD(I&E) Consolidates All DoD Inventories into a Single Submission to OMB to Meet the**



Process

- **The Inventory Process Enables DLA To Determine Which Positions Are Most Appropriate for Competition**
- **DLA Designates Which Positions Are Covered by the A-76 Competition Procedures**
- **After Refining & Consolidating Inventory Submissions From Within the Agency, DSS-B Briefs Corporate Board Members Before Presenting the Inventory Results to the Corporate Board in February**



Process

- **Major Staff Elements Assist in the Inventory Review, Especially for Field Activities Under Their Jurisdiction or Field Activities Receiving Staff Guidance from Them**
- **Field Activities Under the Operational Jurisdiction of J-3 Submit Their Inventories & Narratives to the Competitive Sourcing Division (CSD) for Review Before Submission to the DLA FAIR Act Program Manager**
 - **These Field Activities are the DDC, DESC, DNSC, DRMS, DSCC, DSCP, & DSCR**



Process

- **Field Activities Under the Operational Jurisdiction of J-6 Submit Their Inventories & Narratives to J-65 for Review Before Submission to the DLA FAIR Act Program Manager**
 - These Field Activities are **DLIS, DAPS, DSIO, DISOC, & DAASC**
- **Field Activities Under the Operational Jurisdiction of J-4 Submit Their Inventories & Narratives to J-4 for Review Before Submission to the DLA FAIR Act Program Manager**
 - These Field Activities are **DLA-E & DLA-P**



FAIR Connection to Studies

- **The FAIR ACT Inventory is Directly Linked to Studies Through the Program Budget Review (PBR) Process**
- **In the PBR Process Projected Savings are Calculated Based on the Number of Commercial Activities Defined in the Inventory Available for Study, Assuming Typical Study Results**



Inventory Data Fields

- **Component**
- **State/Territory/Foreign**
- **Location**
- **UIC Code**
- **Unit/Organization Name**
- **Labor Authorizations**
- **Labor Classifications**
- **Function Code**
- **Criteria Code**
- **Year Activity 1st Appeared**
- **Assigned From (Military)**
- **Responsible Official**
- **Defense Health Program (DHP) Manpower**
- **Military Technician Manpower**
- **DLA Office Symbol**



Narrative Requirements for Inventory Submission

- **Basic Summary Of Data Submitted**
- **Strategy/Philosophy For Coding Data With Respect to Function & Criteria Codes**
- **Data That Statistically Describes Major Re-Coding Efforts Between FY 2003 Inventory & FY 2004 Inventory**
- **Discussion on Risk Assessments**



Annual Inventory Categories

ORDER OF PRECEDENCE FOR CODING MANPOWER MIX CRITERIA	
A	Military Operations
B Exemption for Military Support Elements in Operating Forces	C Exemption for Civilian Support Elements in Operating Forces
D Exemption for Military & Civilian Wartime Designations (Dual Status)	
E Civilian Authority Direction & Control	F Military-Unique Knowledge & Skills
G Exemption for Esprit de Corps and Military Support	
H Exemption for Continuity of Infrastructure Operations	I Military Augmentation of the Infrastructure During War
J Exemption for Civilian & Military Rotation	K Exemption for Civilian & Military Career Progression
L Exempted by Law, Executive Order, Treaty or International Agreement	
M Exempted by DoD Management Decision	
P Pending Restructuring of Commercial Activities	
R Subject to Review for Competition Under A-76	
W Non-Packageable Commercial Activity	
X Alternatives to A-76	



Inherently Governmental:
A, E, F, I



Commercial Exempt:
B, C, D, G, H, J, K, L, M



Commercial Subject to Competition:
P, R, W, X



Inherently Governmental Activities

- **According to OMB Circular A-76, An Inherently Governmental Activity Is, “...An Activity That is So Intimately Related to the Public Interest As to Mandate Performance by Government Personnel”**
- **The Circular Describes Inherently Governmental Tasks as Either the Exercise of Sovereign Government Authority or the Establishment of Procedures & Processes Related to the Oversight of Monetary Transactions or Entitlements**



Commercial Activities

- **Circular A-76 Defines A CA as “...A Recurring Service That Could be Performed by the Private Sector & is Resourced, Performed, & Controlled by the Agency Through Performance by Government Personnel, a Contract, or A Fee-for-Service Agreement”**
- **By Definition, These Activities Are Not So Closely Tied to the Public Interest That They Require Performance by Government Staff**



Exempt Commercial Activities

- **Exempt CAs Are Those Deemed Not Appropriate for Private Sector Performance Pursuant to a Written Determination by the Component Competitive Sourcing Official (CCSO) or Are Performed by Government Personnel Because of a Statutory Prohibition Against Private Sector Performance**



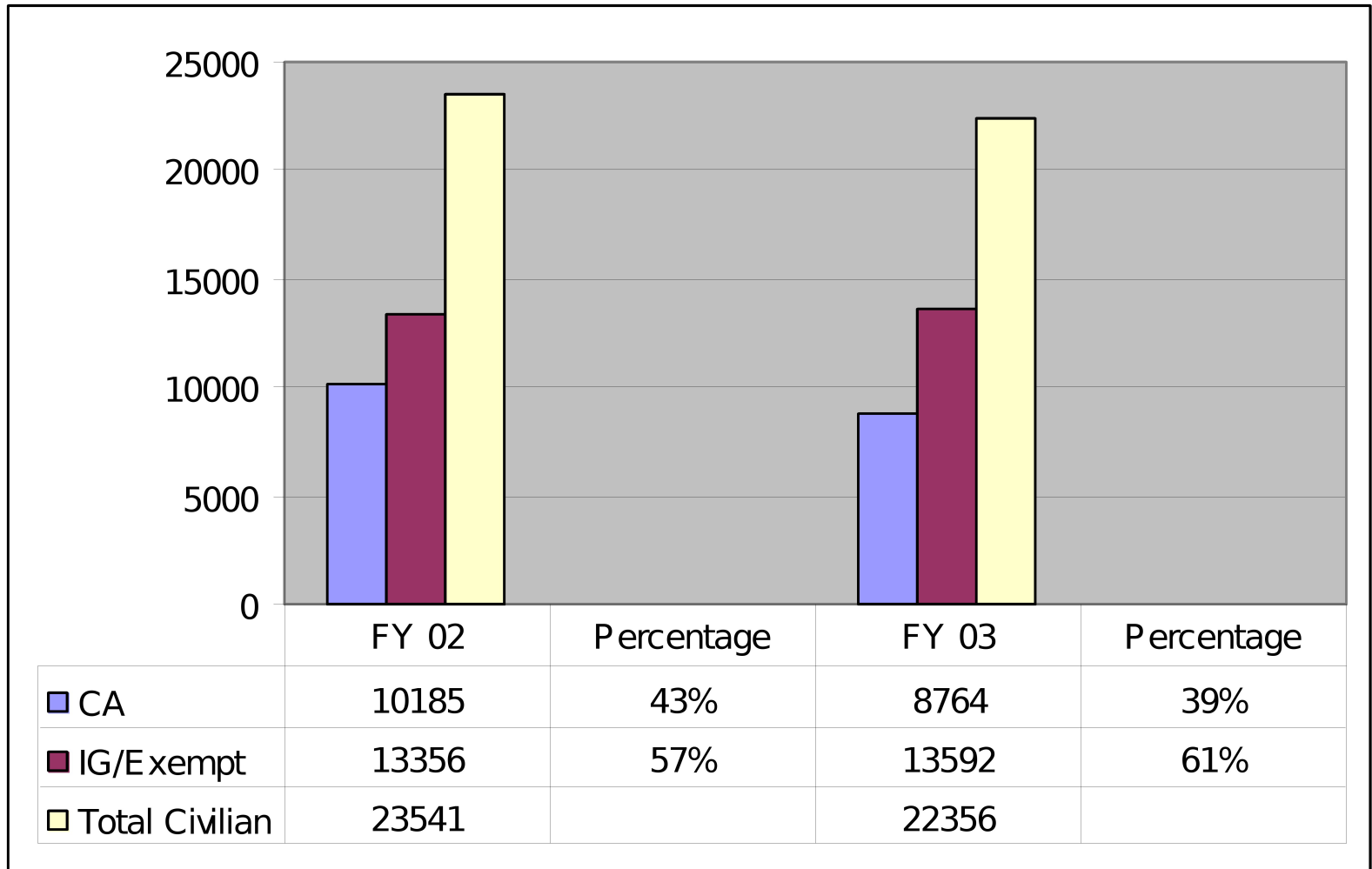
Criteria Codes

New Criteria Code	Manpower Mix Criteria	Group	FAIR (OMB Reason Code)
A	Military Operations	IG	N/A
B	Military Support Elements in Operating Forces	Exempt	N/A
C	Civilian Support Elements in Operating Forces	Exempt	A
D	Exemptions for Military & Civilian Wartime Designations (Dual Status)	Exempt	A
E	Civilian Authority, Direction, & Control	IG	N/A
F	Military-Unique Knowledge & Skills	IG	N/A
G	Exemptions for Esprit de Corps & Military Support	Exempt	A
H	Continuity of Infrastructure Operations	Exempt	A
I	Military Augmentation of Infrastructure During War	IG	N/A
J	Civilian & Military Rotation	Exempt	A
K	Civilian & Military Career Progression	Exempt	A
L	Restricted by Law, E.O., Treaty, or International Agreement	Exempt	G
M	Restricted by DoD Management Decision	Exempt	A
P	Pending Restructuring Decision	CA	F
R	Subject to Review	CA	B
W	Nonpackageable Commercial Activity	CA	B
X	Alternatives to A-76	CA	C



Statistics From Latest Submission

Civilian





Statistics From Latest Submission

Ten Function Codes Account For 71% Of Civilian Authorized Positions

<u>Function Code</u>	<u>Labor Total</u>	<u>Total FTE's</u>	<u>Description</u>
T130	5452	24%	Storage and Warehousing
F320	2642	12%	Contract Administration and Operations
T120	2516	11%	Wholesale/Depot Supply Operations
W310	1289	6%	Computing Services and Data Base Management
T190	935	4%	Prep, Demilitarization, Disposal of Excess Inventory
P110	821	4%	Management Headquarters - Logistics
T140	766	3%	Supply Cataloging
Y880	664	3%	Document Automation and Production Services
T710	414	2%	Traffic/Transportation Management Services
Y899	386	2%	Other Administrative Support Activities
All Other	6471	29%	
Total	22356	100%	



Statistics From Latest Submission

- **22,356 Positions Inventoried,**
 - **8,014 Positions (36 Percent) Were Identified As Inherently Governmental**
 - **5,578 Positions (25 Percent) Were Identified As Exempt**
 - **8,724 Positions (39 Percent) Were Identified As Commercial Activity Subject To Competition**
- **The Table Displays The Specific Criteria Codes Assigned To Each Of The Three Broad Categories**

Civilian Criteria Codes			
Code		No. of Civilians	% of Total
E	IG	8014	35.8%
C, I, K	Exempt	427	1.9%
H	Exempt	3718	16.6%
L	Exempt	1207	5.4%
M	Exempt	226	1.0%
P	CA	8764	39.2%
R	CA		
Total:		22356	100.0%